

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

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CPI SECURITY SYSTEMS, INC.	)	
	)	
Plaintiff,	)	
	)	AUDIO TRANSCRIPT
v.	)	
	)	
VIVINT SMART HOME, INC.,	)	
f/k/a MOSAIC ACQUISITIONS CORP.;	)	
LEGACY VIVINT SMART HOME, INC.,	)	
f/k/a VIVINT SMART HOME, INC.,	)	
	)	
	)	
Defendants.	)	

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AUDIO RECORDING OF MR. DOUGLAS

1 MR. DOUGLAS: Hello.

2 JENNIFER: Hello. This is Jennifer with CPI  
3 Security. I'm trying to reach Mr. Douglas.

4 MR. DOUGLAS: Hey, this is me. How ya doing?

5 JENNIFER: Hey good. I promise I won't take much of  
6 your time.

7 MR. DOUGLAS: It's okay.

8 JENNIFER: I'm with the quality assurance team here  
9 at CPI just following up with customers who have recently  
10 canceled -- oh, no, you're actually active.

11 MR. DOUGLAS: Yeah, yeah, yeah, I'm back. I got out  
12 of that stupid Vivint thing and got back with you guys.

13 JENNIFER: Oh, okay. So can you tell me -- well,  
14 what happened? What happened?

15 MR. DOUGLAS: Well, it was kind of strange because  
16 Vivint came around to our -- we got a new development and  
17 Vivint came around saying (unintelligible) you guys and you  
18 guys like (unintelligible) and there's is better than yours,  
19 they offered a bigger screen and better cameras and stuff and  
20 they was buying all you guys out because everybody was leaving  
21 due to something that the CEO said. So he was like, yeah,  
22 we're basically like buying them all out. So we're going to  
23 give you a better deal.

24 And he was like -- I was like, well, you know, with  
25 our equipment and our bill is only like 50 bucks and

3

1 (unintelligible) better and a camera and this and that it and  
2 it would only be like I think he said something like --  
3 something like 50 -- our bill ended up being 90. Then our  
4 camera outside it has like an alert on there when people walk  
5 by it?

6 JENNIFER: Uh-huh.

7 MR. DOUGLAS: It makes a lot of (unintelligible)  
8 within two months the speaker box went out on it so it would  
9 screech instead of whistle. We would always lose connectivity  
10 and everything. And then he didn't tell us that -- he told us  
11 within three weeks we could get out of the contract if we  
12 didn't like it. So I think within a week ahead we called to  
13 get out of it. And they said, "No. You only have three days  
14 of it."

15 JENNIFER: Oh, wow.

16 MR. DOUGLAS: It was like -- yeah, you're  
17 basically -- you're basically stuck in the contract. And I  
18 was, like, hold on, man, this is -- you know. And they're,  
19 like, "Do you have your contract?" And we're like, "The dude  
20 has never even came back to give us the contract." I was  
21 like, he's gone, and they tried to call him and this and that.  
22 And to find out that he had about seven or the eight people  
23 call back to try to get out because he like promised them,  
24 like, false stuff.

25 So that's when the tech came back and was like and we

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1 were like, yeah, do you mind me asking a question and he was  
2 like, well (unintelligible) we're like, yeah, he's like wow,  
3 we've been picking up all his customer's stuff this whole  
4 week. And I was like, oh, man. I was good, well, then he  
5 lied.

6 JENNIFER: Oh my gosh.

7 MR. DOUGLAS: Yeah, it was bad. So we had to file  
8 like a Better Business Bureau things why, then we had to send  
9 an email to the company and then we had to fight with the guy.  
10 And they finally, like their lawyers called us, and like how  
11 do we want to settle it. And we said, "We don't want no money  
12 or the nothing. We just don't want no penalties, and we want  
13 to get out of it, you know, just -- just, you know, take the  
14 last bill because it's been off for the whole month, so y'all  
15 take care of that and we're just out of here."

16 And they showed up then and then we just switched  
17 back over and you guys gave us an awesome deal and we got a  
18 camera outside also, and you know. And then the cool part  
19 about it they paid for -- the other bad part about it was when  
20 we switched, he didn't tell us that we would have to pay a  
21 contract when we got it. He said once we payed for the  
22 equipment --

23 JENNIFER: Uh-huh.

24 MR. DOUGLAS: -- that was it. So that was the other  
25 bad thing. We had got a 1,200 bill from you guys. But the

5

1 lady mentioned that we wouldn't have to pay that. Like, he  
2 was, like, the contract was, like, basically once you pay your  
3 equipment off, that's it. And I was, like, "Are you sure?"  
4 And he goes, "Yeah."

5 So we did it and that's when we get the bill from you  
6 guys. We called them, like, yo, like, you know, you guys paid  
7 for our equipment from CPI but you didn't tell us about 1,200  
8 contract. I was like if I would have known that, I wouldn't  
9 have even went down that route.

10 JENNIFER: Right.

11 MR. DOUGLAS: So we was like -- they paid for our  
12 equipment and stuff and you guys hooked us up with some other  
13 stuff and we got in, got back in and got some more stuff, so  
14 everything worked out.

15 JENNIFER: Okay. So initially they just came out in  
16 the neighborhood and they were talking about buying CPI and  
17 saying that --

18 MR. DOUGLAS: Yeah. They -- yep. They was, like,  
19 they're buying all CPI out and basically -- and they claimed  
20 that their equipment is better, it's more expensive but way  
21 better because they make it in-house.

22 JENNIFER: Okay.

23 MR. DOUGLAS: And did they say that they -- what did  
24 they say anything about CPI equipment other than -- they just  
25 said that you guys -- they -- the only thing they said was

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1 that you guys copied off their design and theirs was better or  
2 the whatever. And their -- they had a bigger monitoring  
3 screen like an iPad and stuff like -- but otherwise that's the  
4 only thing they said was that you guys copied off of their  
5 designs. And I think these guys -- I don't know. He said you  
6 guys ordered from China but basically y'all copied from them  
7 somehow.

8 JENNIFER: Okay. So CPI orders from China?

9 MR. DOUGLAS: Uh-huh.

10 JENNIFER: And we copied them?

11 MR. DOUGLAS: Uh-huh.

12 JENNIFER: Okay. I haven't heard that before.

13 MR. DOUGLAS: Yeah. Like, he basically said like  
14 y'all's whole security system is based off of theirs and it's  
15 like cheesy because they can get in contact with the police  
16 faster. And it was some other extra stuff how he explained  
17 about how his system is better and alerts more -- it was a  
18 lot. So I'm taking it in, but you know -- if it's just too  
19 good to be true, you know, I knew he was selling, but you  
20 know, he was just (unintelligible).

21 JENNIFER: He did -- I mean, did he say that CPI was  
22 closing and that's why they were --

23 MR. DOUGLAS: No. He -- he just said they were just  
24 buying you guys out, that was it.

25 JENNIFER: Okay. Gotcha. And did he say anything

7

1 about your CPI system being outdated?

2 MR. DOUGLAS: He just -- no. He just said like --  
3 like, basically theirs is way better than ours, ours is just  
4 cheesy.

5 JENNIFER: Okay. Gotcha, all right. Well, I mean,  
6 you never know. You never know what you're going to hear, you  
7 know what I mean? Like -- yeah.

8 MR. DOUGLAS: I'm telling you, he was just like -- it  
9 was wild, but you know, they put all that technology crap in  
10 your face in the call and then you go oh, oh, and then he  
11 was -- he was just like, "Yeah, the only reason they got jobs  
12 is because they got a contract with the EH Horton or whatever,  
13 but we're the best," and this met -- yeah, I'm going to try to  
14 hook you guys up, and get you out of this contract with them.  
15 And I was like, "Okay."

16 So sure enough we were idiots and got it.

17 JENNIFER: No. You know, no. No, don't feel bad  
18 it -- it's -- its -- it's happening a lot. So, yeah, I mean  
19 feedback helps. This was a surprise call to me. I'm glad  
20 you're back. I'm glad that you guys were able to -- well,  
21 unfortunately you had to go through the BBB, but you know, at  
22 least you guys were able to get out of that where, you know --

23 MR. DOUGLAS: Oh, yeah.

24 JENNIFER: -- a lot of other people are still having  
25 issues.

8

1 MR. DOUGLAS: We told him straight up, we're going to  
2 the attorney general, yeah, we're going to call the news  
3 everything. I was ready. Next thing you know we got a call  
4 back from the lawyer's office, "How do you want to settle  
5 this?"

6 JENNIFER: Wow. Oh my gosh, yeah --

7 MR. DOUGLAS: I was like, thinking -- if I'm going to  
8 pay them a \$1,200 bill, I'm going at them with everything I  
9 got. You hear about the Buffalo sales, like, I'm going at 'em  
10 I don't care.

11 JENNIFER: Wow, yeah. So there was a few things like  
12 they were saying that they would buy out your equipment with  
13 CPI but they never let you know about the monitoring agreement  
14 and then --

15 MR. DOUGLAS: Right.

16 JENNIFER: -- there was the -- they told you that you  
17 have three weeks to basically tryout the system and you found  
18 out, no, you only had three days and then --

19 MR. DOUGLAS: Right. And then it was the billing was  
20 actually way more than what you would --

21 JENNIFER: Did he tell you that that was a hard  
22 credit pull? Did he disclose that?

23 MR. DOUGLAS: I can't remember if -- it was so long  
24 when we did it, but I don't think so. I think he said it was  
25 a soft hit.

9



1 JENNIFER: Okay. Yeah, okay.

2 MR. DOUGLAS: I think it was a soft hit. But, yeah,  
3 like even when he told the actual -- I forgot what he was but  
4 he was like the billing head guy, he was like we don't have it  
5 on the record of you guys calling. And I'm like, what do you  
6 mean? My fiancée has the guy's name, you know --

7 JENNIFER: Uh-huh.

8 MR. DOUGLAS: -- well, we don't have this on record  
9 of you calling in and lodging a complaint. So we told him we  
10 called in about the system acting funky, and they just kept  
11 saying reset it, reset it, and they'll try and get a tech guy  
12 whenever, you know, to call us back, and we never got us back  
13 in. But the system got like working again but they still  
14 didn't send anybody out to check on it. So in their books  
15 they didn't have us not even called, there's no record saying  
16 that we even called.

17 JENNIFER: Oh my gosh.

18 MR. DOUGLAS: Yeah. They had nothing on record.  
19 He's all, I'm look at this and it says that we have no  
20 recorded call from you, and this, this, and this. And I'm  
21 like wow.

22 JENNIFER: Yeah, that's a little -- yeah, I mean  
23 every call we have is recorded because, you know, if you ever  
24 need that or -- if someone tells you something -- I mean, it's  
25 for the benefit of both parties, you know, because like if

10

1 you're told, hey, they told me I could have this, this, that,  
2 and that, for this price, and --

3 MR. DOUGLAS: Right.

4 JENNIFER: -- you're quoted a different price, well  
5 we could go back and be like he was quoted that so we could  
6 honor that, you know what I mean? And you could say, I want  
7 those calls pulled and we can actually pull it together.

8 MR. DOUGLAS: Right.

9 JENNIFER: So you know, yeah, that's a big -- you  
10 know, and then --

11 MR. DOUGLAS: He pulled it up and it was going to be  
12 like 60 some dollars. Our bill ended up being 93.

13 JENNIFER: Ninety-three.

14 MR. DOUGLAS: And we were paying -- yes. And we were  
15 paying -- we were basically just paying for the same setup you  
16 guys gave us but they added a funky camera out back that aimed  
17 at our pool, that was it. And I'm like why are we paying that  
18 and we were paying, you know, 53 -- you know what I'm saying?

19 JENNIFER: Yeah.

20 MR. DOUGLAS: It just didn't add up. And like I said  
21 the stupid detector on the camera out back, it just started  
22 going bad. It wasn't even a whistle sound, it was more  
23 echoing. Then they gave me some stupid -- they gave me the  
24 GPS device to stick in my truck. It only worked for one week  
25 and after that it was like never picked up or nothing.

11

1 JENNIFER: Oh my gosh.

2 MR. DOUGLAS: Yeah. They gave it for free but it  
3 stopped working literally like a week later. My fiancée' is  
4 like -- you know, because once I stop the truck, you know, it  
5 will alert her whenever I move it, but you know, she would  
6 call and ask where I'm, you know, at and I should -- we're  
7 driving around and I would be like, you know, but this says  
8 you're parked and I would be -- my --

9 JENNIFER: Still in the truck.

10 MR. DOUGLAS: Yeah. We drove to -- yeah we drove to  
11 Florida and it was saying that I was still parked at my house,  
12 and I was like, yeah, it doesn't work no more. Wow, it only  
13 worked for a whole week?

14 JENNIFER: Oh my gosh.

15 MR. DOUGLAS: So, yeah, it was a big headache with  
16 them. I'm just glad that we're out of that contract.

17 JENNIFER: Well, I'm glad you guys came back to us.  
18 Like, I mean, you could of -- you could of at that point once  
19 you were out of that, you could have went anywhere, and I'm  
20 glad you gave us another shot, and I'm glad that we were able  
21 to take care of you guys.

22 MR. DOUGLAS: Oh, yeah, most definitely. You guys  
23 are sweet.

24 JENNIFER: Good. I'm glad -- I'm glad that you're  
25 satisfied with CPI. After all of this I'm glad that somebody

12

1 has made you guys happy.

2 MR. DOUGLAS: I told my fiancée', I'm like the next  
3 time somebody tries to the door selling something say --  
4 another company got us for -- I mean, it was pretty sweet, but  
5 they got us for a water filtration system added onto the house  
6 but that was \$8,000 system, you know, we pay 135 a month for  
7 that, and I was like, you know, after this, I was like don't  
8 answer the door for nobody. I can't care who they are.

9 JENNIFER: Yeah. Did you guys get a doorbell camera?

10 MR. DOUGLAS: Yeah. We got -- this Halloween I put a  
11 bunch of scary animatronics system, nobody out front my door  
12 now. I'm just like -- the Uber lady won't come to our house.  
13 We ordered Taco Bell and she dropped it off at the curb, and I  
14 was like, uhg, because me and my neighbor kind of have our  
15 house set up like a haunted house. It was so much fun out  
16 there. It was like -- yeah, so we try and do it for the kids.  
17 It's all good. You know, hopefully they come out but  
18 (unintelligible) but we gotta try to keep the spirit alive a  
19 little bit.

20 JENNIFER: You know, if nothing else, it would be  
21 kinda cool if neighborhoods did decorate -- you know how like  
22 people do the Christmas decorations?

23 MR. DOUGLAS: Yeah.

24 JENNIFER: Like people could drive by the  
25 neighborhoods at least they would be --

13

1 MR. DOUGLAS: Oh my gosh.

2 JENNIFER: Wouldn't that be cool? Like a  
3 drive-through Halloween like neighborhood.

4 MR. DOUGLAS: Hey, we get that now. This lady even  
5 stopped by and take pictures and said --

6 JENNIFER: Oh, that is so cool. That is so awesome.

7 MR. DOUGLAS: They drive by now. I was like, yeah, I  
8 try to turn everything on until like around six or the 7  
9 o'clock let them --

10 JENNIFER: Yeah, exactly. Put it on like a timer.

11 MR. DOUGLAS: Yeah, basically that's how we got it  
12 set, right on the timer.

13 JENNIFER: Yeah.

14 MR. DOUGLAS: Yeah, we try and do everything  
15 (unintelligible) take our minds off of the stuff going on.

16 JENNIFER: So much is going on, isn't that the truth?  
17 I'm ready to see what 2021 brings, hopefully something good.

18 MR. DOUGLAS: Right.

19 JENNIFER: I think everybody -- the World needs like  
20 a do-over.

21 MR. DOUGLAS: I -- yeah. I really need that fresh  
22 start we always claim (unintelligible) come around. I need  
23 (unintelligible) this year than that.

24 JENNIFER: Exactly. Oh, my gosh. It's been a doozie  
25 of a year. But I am go --

14

1 MR. DOUGLAS: Yeah.

2 JENNIFER: -- so glad I got to talk to you and I'm so  
3 glad that you picked up the phone and especially with, you  
4 know, spam, you know, car warranties and everything.

5 MR. DOUGLAS: There's (unintelligible) houses and  
6 then I remember it and I kind of agree -- I think it was last  
7 week with -- I looked at my phone and I actually started  
8 redoing my contacts and I actually named you guys this time.  
9 So I was about to pick up but it hung up and you called right  
10 back and I was like cool.

11 JENNIFER: Cool. Very good.

12 MR. DOUGLAS: Cool.

13 JENNIFER: Well, Mr. Douglas, it has been a pleasure  
14 talking to you and I'm go glad that you came back to CPI and  
15 let us take care of you. I really appreciate that.

16 MR. DOUGLAS: Yes, ma'am.

17 JENNIFER: Thank you for that information. It all  
18 does help.

19 MR. DOUGLAS: Any time.

20 JENNIFER: Thank you so much. You have a wonderful  
21 day, sir.

22 MR. DOUGLAS: Yes, ma'am. You too.

23 JENNIFER: Thank you. Bye-bye.

24 MR. DOUGLAS: Bye.

25

15

CERTIFICATE

STATE OF UTAH                 )  
                                          ) ss.  
COUNTY OF WEBER         )

I, Tracy A. Fresh, do hereby certify that the  
foregoing pages 2 through 13 constitute a true and accurate  
transcript of the audio proceedings to the best of my  
knowledge and ability as a Certified Court Reporter in and  
for the State of Utah.

Dated this 21st day of October, 2021.



Tracy A. Fresh, RPR, CCR